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Program Facts for

**ASC**  
**COMMITTEEMEN**

PA-544

U.S. DEPARTMENT OF AGRICULTURE  
Agricultural Stabilization and  
Conservation Service  
Washington, D.C.

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This booklet contains general information about the Agricultural Conservation Program, production adjustment, price support, voluntary diversion, and other programs administered by Agricultural Stabilization and Conservation Committees. It is not intended to replace handbooks, bulletins, manuals, or other administrative instructions applicable to the various programs, and ASC committees should not base program decisions upon the information contained herein. Such decisions must be based upon the appropriate administrative regulations and instructions.

Issued January 1963

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# PROGRAM FACTS FOR ASC COMMITTEEMEN

## OVERALL RESPONSIBILITIES

Agricultural Stabilization and Conservation (ASC) County Committees are in charge of local administration of the following national farm programs:

1. Acreage allotments and marketing quotas
2. Price-support loans, purchase agreements, and incentive payments
3. The Agricultural Conservation Program (ACP)
4. The Soil Bank
5. The Land-Use Adjustment Program
6. The sugar program
7. The wool program
8. The wheat stabilization and feed grain programs
9. Other programs assigned by the Secretary of Agriculture or Congress

It is the committee's responsibility to make local program decisions and to see that the programs are carried out fairly and in full accordance with official regulations.

County and community committeemen are elected annually by the farmers of the county. County and community committees function under the general supervision of the ASC State Committee. The county agricultural extension agent is ex officio a member of the county committee without the power to vote.

Alternate county and community committeemen are elected at the time of the annual committeeman elections. If for any reason a committeeman cannot serve, either temporarily or permanently, the first alternate committeeman serves on the county committee. If a second committeeman is unable to serve, the second alternate serves on the committee.

The State committee consists of from three to five farmer-mem-

bers—varying by States—and the Director of the State Agricultural Extension Service, who is ex officio a member of the State committee. Farmer-members of the ASC State committees are appointed by the Secretary of Agriculture.

Each county committee employs a county office manager who executes the policies of the county committee and supervises the day-to-day detailed administrative and field work of the county office staffs. (A State Executive Director performs the same function for the State committee in the State office.) It is the committee's responsibility, however, for seeing that the work is effectively and efficiently performed.

When employing field workers, the general policy is to encourage the employment of community committeemen when they are fully qualified.

Committee meetings, attended by all county committeemen and the office manager, should be held on regularly established dates, and special meetings should be held when necessary. Minutes of each committee meeting must be complete and readily available for future reference and must include all official actions taken.

The office manager is responsible for establishing a plan of work and for reviewing it at regular intervals with the county committee to determine whether or not both the field and office work is on schedule.

Although day-to-day operations are under the immediate supervision of the county office manager, special or difficult cases should be referred to the committee for action. Examples of such cases would be unusual Agricultural



Conservation Program irregularities, refusal of a farmer to permit measurement of the acreage of a crop under marketing quotas, or refusal of a farmer to pay a marketing quota penalty. Reports on such special activities must be included in the minutes of the county committee meeting.

Contact with county committees is maintained by the ASC State

committee through written communication, telephone, and visits of fieldmen. Fieldmen are the representatives of the State committee and are responsible for assisting the county committee in discharging its responsibilities. They are the county's principal point of contact with the State office. Fieldmen report to the ASC State committee.

## KEEPING FARMERS AND THE PUBLIC INFORMED

ASC county committees are generally responsible for seeing that farmers and others are informed about the programs available and the requirements for eligibility to participate in those programs. Since the county agricultural extension agent is the local representative of the field information and education service of the Department, as well as a member of the county committee, his experience and training can be very useful in planning and carrying out activities to keep farmers and the public factually informed on ASCS programs.

In most counties, the following methods of providing factual program information are used by the ASCS county office or carried out in cooperation with the county agricultural extension agent:

*Day-to-day contacts* with other farmers by committeemen and county office employees—probably the best opportunity for program explanations, and thus a most effective way to get or to increase farmer understanding of the various programs and their operation.

*Work with local newspaper editors*, who usually welcome program information for special articles or news items.

*Participation in radio programs*—an excellent means of increasing farmer understanding of programs and of informing and reporting to the general public.

*Distribution of published material*, available on such programs as wheat marketing quotas, cotton marketing quotas, the wool program, the Agricultural Conservation Program, etc.

*Explanatory talks* and question-and-answer periods by ASC county committeemen at farmers' or local civic organization meetings or luncheons.

*Program information meetings* with community committeemen.

*Periodic program letters* to community committeemen. Since community committeemen are frequently in contact with their neighbors, most county offices use this method.

*Informing representatives of other agricultural agencies* of the essential details of the various programs which are in operation.

## ADMINISTRATIVE RESPONSIBILITIES

### Employees

County office managers are employed by the county committee, subject to qualification standards furnished by the ASC State com-

mittee. The salary of a manager is based generally on the number of active programs and the volume of administrative work in the county office.

The county office manager is responsible for the employment and supervision of county office employees. Classification and rates of pay of employees are recommended by the county committee and approved by the State committee or its designated representative. Use of job classifications makes it possible to provide employees with uniform rates of pay for similar work and responsibility.

County office employees serving under regular appointments and certain others — although not civil service employees — are covered by the civil service retirement system. They are also eligible to participate in the Federal employees' group life insurance plan, and the Federal employees health benefits program.

County and community committeemen and employees of the county office are covered under the U.S. Employees Compensation Act (for injuries while on duty). Committeemen and those employees not covered by the Civil Service Retirement Act are also covered by the Federal Insurance Contributions Act (old age and survivors insurance). Employees of the county office are also covered by the Unemployment Compensation Act. For employees who have regular or limited appointments, there is a uniform vacation and sick leave system.

### **Budget**

Preparation of the county office budget involves estimating costs for performing essential work for each of the programs being operated in the county. Budgets are prepared for a fiscal year — from July 1 through June 30.

After the budget is prepared and approved by the ASC State committee, the county committee, with the assistance of the office manager, should regularly review expenditures to make sure that they are authorized and that the necessary work will be accomplished with the funds available. Money to meet administrative expenses is advanced as needed to meet budgeted requirements. Budgets and other controls of expenditures are necessary to secure efficient operations and to account properly for the funds appropriated by Congress.

### **County Office Quarters**

The location of the county office is determined by the county committee, subject to the approval of the State committee. In some counties, free or Federal office space is available. When office space is available in a Federal building, the county committee requests the State committee to secure assignment of the desired space.

Leases, subleases, or other arrangements for rented space are made in the name of the county committee after the State committee has approved the location, space, and lease arrangements.

In selecting office space, county committees give consideration to the convenience of the location to farmers and to other agricultural agencies, the adequacy of the space for the number of employees and the necessary office equipment, and the cost. Miscellaneous services such as telephone, telegraph, electricity, water, janitor service, etc., must also be arranged for and costs considered.

Good working conditions are essential to effective office operations.

## **PROGRAM COMPLIANCE, AERIAL PHOTOGRAPHY**

The Secretary is required by law to provide, through ASC committees, for measuring farms on which

corn, wheat, cotton, peanuts, or rice is produced, when programs are in effect, and to make such other



acreage and land-use determinations as are necessary to establish compliance with the respective program provisions. It is further required that the Secretary shall provide an opportunity for a farm operator to adjust his acreage prior to harvest so as to come within the appropriate crop or program limitation for the farm.

In addition, with respect to cotton acreage allotments, the law requires that the Secretary shall provide through the committee for measurement of an acreage prior to planting (premeasurement) equal to the allotment, if requested by the farm operator. Similar premeasurement service is offered administratively for other crop programs.

### **Compliance**

*Compliance is the backbone of farm programs.* First, it establishes eligibility for payments, for marketing cards, and for price support. *Second—and more fundamental*, the successful attainment of objectives of programs provided by agricultural legislation is in direct proportion to the degree of compliance with these programs.

To accomplish these purposes, acreages must be measured and crop and land-use determinations made as soon after planting as practical in order that farmers may be given an opportunity to adjust excess acreage before incurring unnecessary production costs or before it is time to issue marketing cards and make program payments.

Local people are employed as "reporters" at the county level to measure acreage and to obtain the necessary information from farmers to establish compliance with the various programs. In selecting this field force, community committeemen are given preference when they are qualified to do the work and when they can devote the necessary time to the job. It is important, however, that the number of reporters be held at a level commensurate with the workload to avoid excessive training and supervision costs.

### **Aerial Photography**

Aerial photography obtained by ASCS through independent aerial photography contractors and processed through our own laboratories is the principal method of determining acreages to establish compliance with farm programs. The degree of accuracy achieved by this method of acreage measurement is far greater than by the ground-measurement methods previously employed. Use of photography has contributed substantially to our success in recognizing an acreage which has been established for an area on the photograph from year to year and minimizes the change in field sizes each time they are measured. ASCS has aerial photography coverage of about 11½ billion acres in continental United States (excluding Alaska) or about 76 percent of the total land area. It covers all major cropland areas. Farmers and others may purchase photographs of their farms or areas of interest at approximate cost.

## **CONSERVATION PROGRAMS**

### **Agricultural Conservation Program**

The Agricultural Conservation Program, which began in 1936, is an important part of a coordinated effort to help farmers attain soil-

conservation objectives. The total effort includes research, education, technical assistance, cost-sharing, and such indirect aids as credit.

The Agricultural Conservation Program operates as a farmer-



Government partnership by providing a share of the cost of approved soil, water, woodland, and wildlife conservation practices. The share provided by the Government is an evidence of the interest of all the Nation's people in insuring future supplies of agricultural products.

ACP assistance is made available for conservation over and above what farmers would carry out with their own resources and on their own initiative. The assistance may be in the form of financial aid, or materials or services to obtain the needed conservation.

Participation in the program is voluntary, and all farmers throughout the country are eligible to take part.

County programs are developed and administered by Agricultural Stabilization and Conservation County Committees in cooperation with local representatives of the Soil Conservation Service, Forest Service, Extension Service, local soil and water conservation districts, and other agricultural agencies. These agencies also assist with the educational and technical work needed in the administration of the program.

#### *Responsibilities of County Committees*

1. Make recommendations to the ASC State committee for the national Agricultural Conservation Program.

2. Develop the county Agricultural Conservation Program, in cooperation with designated agencies and organizations.

3. Determine policy in the local adaptation and administration of the program.

4. See that farmers are informed of program provisions and that they have an opportunity to request cost-sharing. The Extension Service and other agencies assist in the

educational and informational phases of the program.

5. Help arrange for sources of needed conservation materials and services.

6. Review farmers' requests for cost-sharing and approve those which will achieve the most and best-quality conservation work.

7. Budget and account for the use of program (ACP) funds for cost-sharing and technical services, keeping approvals within available funds.

8. Review quantity and quality of performance, by spot checks and otherwise; make findings on violations of program provisions; hear and make decisions on program appeals.

#### *Responsibilities of Community Committees*

1. Counsel with ASC county committee on policies and procedures needed to carry out the most effective ACP in the county.

2. Keep informed on the ACP.

3. Help inform farmers on the provisions in the ACP.

4. At request of ASC county committee, make recommendations on the individual requests of farmers for cost-sharing.

5. At request of county committee, report facts in connection with individual appeals and complaints of farmers.

*Emergency Conservation Measures.* From time to time, special program authorizations and appropriations have been made by the Congress to help meet emergency conditions caused by natural disasters. In the past, such authorizations for conservation purposes have been available for emergency measures to control wind erosion on farmlands, or to rehabilitate farmland damaged by wind erosion, floods, hurricanes, or other natural disasters which have created serious new conservation problems.

In general, the responsibilities of ASC committeemen for such emergency measures are the same as for the regular ACP.

### **Conservation on Diverted Acres**

When acreages of surplus crops, for example, feed grains and wheat, are reduced under authorized supply-adjustment programs, the diverted acres usually are required by law or regulations to be devoted to conserving uses. ASC committeemen help farmers understand the requirements and the program aids (such as the ACP and other conservation cost-sharing assistance) available to help bring about needed land use changes and to protect the land.

Committeemen administer programs to bring about the continued sound use and protection of land under conserving systems of farming, including land under Conservation Reserve and other conservation and use contracts or agreements.

### **Soil Bank—Conservation Reserve Program**

The Soil Bank provided two types of programs to assist farmers to divert a portion or all of their cropland from the production of crops and to carry out a program of soil, water, forest, and wildlife conservation on such acreage.

These two programs were:

- (1) The Acreage Reserve—a year-to-year program under which payments were made for reducing plantings of wheat, corn, cotton, tobacco, rice, and peanuts below the farm acreage allotment. This program was discontinued on December 31, 1958.
- (2) The Conservation Reserve—a long-time program to shift land regularly used for the production of crops to a conservation use. Under this program, contracts were en-

tered into during the 5-year period 1956–60. Annual payments will continue to be made for the term of the contracts in effect, but authority to put new land in the program or to extend existing contracts ended with the 1960 program.

Under the Soil Bank Conservation Reserve, farmers voluntarily entered into contracts to divert into conservation uses, for periods of from 3 to 10 years, cropland normally devoted to grain, row crops, and tame hay. During the period the land is under contract, the farmer agrees not to graze or harvest a crop from it and the acreage devoted to these crops on the farm must be reduced accordingly. However, the land may be used for recreational purposes provided the cover is maintained.

For putting cropland in the Conservation Reserve, two types of payment were provided: (1) An annual payment to compensate for the loss of income the acreage would otherwise produce, and (2) a cost-share payment to assist in establishing an approved conservation use on the land (for example, grass, legume, or tree cover; water storage reservoirs; or wildlife conservation measures).

About 28.7 million acres of cropland were placed in the Conservation Reserve at an average annual payment rate of \$11.85 per acre. About 71 percent of this total program acreage was on farms on which all cropland was in the program.

#### *Duties of County Committees*

Under the Soil Bank Conservation Reserve program, the responsibilities of the county committee for the period of the existing contracts will include:

1. Giving overall supervision to program administration in the county.



2. Informing and instructing farmers generally about necessary details and requirements of their contracts.
  3. Reviewing, approving, adjusting, and recommending the cancellation of Conservation Reserve contracts on behalf of the Secretary.
  4. Through designated employees, providing for accurate and timely checking of performance and inspections.
  5. Arranging for the investigation of and recommending action in connection with alleged contract violations.
2. Long-term agreements (5 or 10 years) in selected States and counties, for converting cropland to grass or trees. Adjustment payments and authorized conservation practice cost-sharing are available to participants.
  3. Long-term agreements (5 or 10 years) under projects approved in any State, for converting cropland to recreational uses. Adjustment payments and authorized conservation practice cost-sharing are available to participants.

### **Land-Use Adjustment Program**

A program primarily for converting cropland to grass, trees, and recreational uses was authorized by section 101 of the Food and Agriculture Act of 1962.

For the first year of operation, 1963, this Land-Use Adjustment Program will involve three types of arrangements with eligible farmers and ranchers:

1. Agreements to continue in conservation use for 1 year, 1963, certain land under Conservation Reserve Program contracts which expire at the end of 1962. An adjustment payment and payments for planting forest trees on this land are available.

The assistance for conservation practices may be in the form of direct payments or conservation materials or services. These lands may be used for income-producing recreational purposes, grassland, farm forests, water storage, or wildlife habitat. The agreements with farmers and ranchers will be made by ASC county committees. Agreements under items 2 and 3 will be based on farm conservation plans developed in cooperation with local soil and water conservation districts and with technical help from the Soil Conservation Service.

County programs are developed and administered in essentially the same way as the Agricultural Conservation Program. County and community committee responsibilities are also similar to those listed above for ACP.

## **PRODUCTION ADJUSTMENT ACTIVITIES**

Agricultural program laws provide for acreage allotments and marketing quotas on cotton, peanuts, rice, tobacco, and wheat (in "commercial" wheat States). In addition, voluntary diversion programs are provided for 1963 crops of wheat and feed grains (corn, grain sorghum, and barley). For 1964, additional supply-management program tools will be available for wheat.

### **Duties of County Committee**

Under production-adjustment programs, the responsibilities of the county committee—under the general direction of the State committee and with the assistance of the community committees—include:

1. Supervising the determination of farm acreage allotments and other program factors, such as productivity

indexes, payment rates, yields, feed grain bases, conserving bases, and small farm bases.

2. Determining producer eligibility and approving payments under the voluntary diversion programs.
3. Considering appeals of producers relating to farm acreage allotments, marketing quotas, and other program factors.
4. Compiling a list of "eligible" voters in marketing quota referendums.
5. Arranging for and conducting marketing quota referendums and certifying the results to the ASC State committee.
6. Through designated employees, providing for accurate and timely checking of performance.
7. Determining producers' quotas, and issuing marketing cards and certificates to producers determined to be eligible to receive such cards and certificates.
8. In cases where the farm acreage allotment (for a crop under marketing quotas) has been exceeded:
  - (a) Determining the amount of the farm marketing excess and penalty including determination of the normal yield for the farm.
  - (b) In the case of peanuts and tobacco, causing "excess" marketing cards to be issued to such growers.
  - (c) Arranging for prompt settlement of marketing quota penalties which have not been collected at the county office or through buyers, warehousemen, or dealers.
9. Arranging for investigation of irregularities and considering violations.

## Duties of Community Committees

1. Reviewing farm data and assisting in the establishment of farm allotments and other program factors, such as productivity indexes, payment rates, yields, feed grain bases, conserving bases, and small farm bases.
2. Keeping informed on the general provisions of production-adjustment and supply-management programs operating in the county.
3. When requested, assisting the county committee in compliance determinations.
4. When requested, assisting the county committee in the investigation of program violations.

## Wheat

For 1963, wheat acreage allotments and marketing quotas are in effect, as provided by the Agricultural Adjustment Act of 1938, as amended. These production-adjustment measures are supplemented by a voluntary diversion program, as provided by the Food and Agriculture Act of 1962 (enacted September 27, 1962).

### *Acreage Allotments*

*National.* The 1963 national acreage allotment was set at the legal minimum of 55 million acres.

*State.* The national wheat acreage allotment, less a reserve not to exceed 1 percent for adjustments in county allotments because of reclamation or other new areas coming into the production of wheat, was apportioned among the States on the basis of the acreage considered seeded for the production of wheat as grain during the preceding 10 years (plus the acreage diverted under previous adjustment and conservation programs) with adjustments for abnormal weather conditions and trends in acreage.



*Noncommercial Wheat Area.* The law authorizes the Secretary to designate any State with an acreage allotment of 25,000 acres or less as a noncommercial wheat State. Acreage allotments and marketing quotas are not established for counties and farms in such States.

*County.* The State wheat acreage allotment, less a reserve not to exceed 3 percent for apportionment to new farms, was apportioned among the counties in a State on the same basis as the national allotment is apportioned to States, plus an adjustment for the promotion of soil-conservation practices.

*Farm.* The county acreage allotment, plus any allotment from the national reserve, was apportioned among farms on the basis of the past acreage considered as devoted to wheat, tillable acres, crop rotation practices, type of soil, and topography.

*New Farms.* Up to 3 percent of the State wheat acreage allotment could be apportioned to farms on which wheat had not been considered planted during any of the 3 years immediately preceding the year for which the allotment was made. These farms are commonly referred to as "new wheat farms."

### *Marketing Quotas*

The Secretary was required under the Agricultural Adjustment Act of 1938, as amended, to proclaim a national wheat marketing quota when the total supply of wheat exceeded the normal supply by more than 20 percent. (A "normal supply" of wheat was a year's domestic consumption and exports plus a 20-percent allowance for reserves.) The quotas could not be made effective, however, unless approved by at least two-thirds of the growers voting in a referendum on the question.

Marketing quotas are carried out through acreage allotments. Under a marketing quota program,

producers who exceed their farm wheat acreage allotments—if the wheat acreage is more than 15 acres—are subject to a marketing penalty on each bushel of excess wheat. Therefore, as much as 15 acres of wheat may be harvested for grain on a farm without being subject to a marketing penalty in 1963. Also, if approved by the county committee, up to 30 acres of wheat may be produced in 1963 for use on the farm as feed, seed, or food without being subject to a marketing quota penalty. The marketing quota penalty on each "excess" bushel of the 1963 crop is 45 percent of the May 1, 1963, wheat parity price. The wheat from farms on which the acreage allotment was exceeded is not eligible for price support.

*Review of Quotas.* Any farmer who was dissatisfied with his marketing quota could appeal and have the determination reviewed by a review committee appointed by the Secretary of Agriculture. If still dissatisfied, the producer could appeal to a Federal District or State Court for review of his case.

### *1963 Diversion Program*

For 1963, farmers could sign up to participate in a voluntary wheat stabilization program by diverting acreage from wheat production to an approved conservation use. By participating in the program, they qualified for diversion payments, and—provided they also complied with their farm allotment—for an extra price-support payment on the normal yield of their 1963 wheat acreage and for the regular price-support loan or purchase agreement on their wheat crop. The amount of acreage to be diverted was:

*If the wheat allotment was 15 acres or more,* a minimum of 20 percent of the farm wheat allotment, and a maximum of the larger

of (a) 10 acres, or (b) 50 percent of the farm allotment.

*If the wheat allotment was less than 15 acres*, a minimum of 20 percent of the larger of (a) the 1963 allotment, or (b) the average acreage of wheat planted for harvest in 1959, 1960, and 1961 (but not to exceed 15 acres); and a maximum of 10 acres, provided this is not larger than either (a) or (b) above.

The diverted acreage had to be in addition to the farm's 1959-60 average acreage in conserving use, summerfallow, and idle land.

*Substitute Crops.* Part or all of the acres taken out of wheat production could be planted to guar, sesame, safflower, sunflower, or castor beans, in which case the payment (except for safflower, for which no payment was available) was a percentage of what the diversion payment would otherwise have been.

*Payments.* The wheat diversion payment is in cash or, under certain circumstances, in wheat. The price-support payment is made by means of negotiable certificates, which the Commodity Credit Corporation will redeem in wheat or make a cash advance for the amount due the producer and market the certificate. (Wheat acquired through redemption of certificates is not eligible for price support.)

The diversion payment is: The farm's established wheat yield per acre (based on 1959-60) times one-half the county price-support loan rate times the diverted wheat acreage.

The extra price-support payment is: The 1963 wheat acreage times the established yield times 18 cents.

A farmer will have to comply with the intentions shown on his agreement in order to be eligible for any payments or price support. Also, to be eligible for a diversion payment and price support on one farm, a grower taking part in the 1963 wheat stabilization program

must not exceed the acreage allotment—or small farm base, if this is larger—on other farms in which he has an interest in the wheat crop.

Advance payments on the diverted acreage were available at the time of sign-up. Final payments will be made after compliance has been determined.

### *The Long-Range Program*

Highlights of the long-range wheat program are:

Beginning with 1964, the minimum 55-million-acre national allotment and the 15-acre marketing quota exemption will be eliminated.

*Allotments—Quotas.* Whenever, prior to April 15 in any calendar year, the Secretary determines that the total supply of wheat in the marketing year beginning in the next calendar year will likely be excessive without a marketing quota program, the Secretary must proclaim a national marketing quota for wheat (for 1, 2, or 3 years—at the Secretary's discretion). The amount of this quota must be proclaimed between January 1 and April 15 of the calendar year before the year in which such marketing year begins. This amount shall cover requirements for human consumption, for seed, for exports, and for livestock feed, less imports; it may also allow for reduction of excessive CCC stocks of wheat; it may not be less than 1 billion bushels. This quota may later be increased or terminated, if necessary.

The national acreage allotment is proclaimed at the same time as the national marketing quota. It shall be the number of acres needed after taking certain factors into consideration, to make available a supply of wheat equal to the national marketing quota. Provision is made for "small-farm" exemptions.

A referendum of growers subject to the allotment-quota program will be held within 60 days after



the proclamation; the quotas must be approved by at least two-thirds of the growers voting. If the vote opposes quotas, price support drops to 50 percent of parity.

Under a quota program, the penalty on "excess" wheat will be 65 percent of the wheat parity price as of May 1 of the calendar year in which the crop is harvested on an amount of wheat equal to twice the farm normal yield times the acreage of wheat in excess of the allotment. Adjustment can be made based on the actual production if this is less.

*Land Use.* During any year in which marketing quotas for wheat are in effect, producers may not grow any crop on acreage required to be diverted from wheat production except under conditions specified in the law. If a crop is grown on such acreage, the producers on the farm are subject to a penalty on the crop in addition to any applicable marketing quota penalty. Acreage to be diverted will be the number of acres which in effect will reflect the difference between the new allotment and the allotment a farm would have received based on 55 million acres nationally.

*Diversion Program.* For 1964 and 1965, a program calling for diverting wheat from production into a conservation use is authorized, with payments available on up to 50 percent of the estimated basic county support rate on the normal production of the diverted acreage. The Secretary may permit the diverted acreage to be devoted to the production of such nonsurplus crops as guar, sesame, etc., at a lower diversion payment rate.

*Wheat Marketing Allocation.* When wheat marketing quotas are in effect, a wheat marketing allocation program shall also be in effect. A farmer complying with his acreage allotments and land-use requirements will receive a wheat marketing certificate representing

his farm's allocation. Cooperating producers will be assured of price support between 65 and 90 percent of parity for wheat accompanied by a certificate, representing their share of wheat to be used domestically for food and for a portion of the wheat used for export. Price support for wheat not accompanied by a certificate shall be at a level related to the feed value and the world price of wheat.

Thus, the price-support system will be revised.

## Feed Grains

For 1963, legislation authorizes a program providing for the diversion of feed grains (corn, grain sorghum, and barley) from production into a conservation use. By participating, the farmer will qualify for diversion payments and a price-support payment (except in the case of small farms where the entire feed grain base acreage is diverted). He will also be eligible to take part in the price-support loan program.

Base acreages for each of the three grains will be combined into a total feed grain base for the farm, and the farmer may divert from one or more of the feed grains represented in his total base. The minimum diversion will be 20 percent of the farm's total feed grain base, and the maximum will be the larger of (a) 40 percent of the total base, or (b) 25 acres (provided this is not more than the total base).

For small farms with total feed grain base acreages of 25 acres or less on which the entire feed grain base acreage (1959-60 acreage, as adjusted) is diverted, the payment rate for acreage diverted to conserving uses will be 50 percent of the county support rate on the normal production of the diverted acres. These farmers will receive no price-support payment since they will have no 1963 feed grain acreage.

For other farms, the diversion payment on the first 20 percent of acreage diversion will be made at 20 percent of the county support rate (reflecting national average support prices of \$1.25 per bushel for corn, \$2 per hundredweight for grain sorghum, and 96 cents per bushel for barley) on the normal production of the diverted acres. On any acreage diversion above the minimum requirement, payment will be at 50 percent of the county support rate.

The feed grain program will include a provision similar to that under the 1963 wheat program, permitting the diverted acreage to be planted to certain substitute crops. (See p. 10.)

Farmers participating in the 1963 feed grain program will receive price support partly through loans and purchase agreements and partly through a price-support payment. The price-support payments will be made on the normal production of the 1963 feed grain acreage at the rate of 18 cents per bushel on corn, 29 cents per hundredweight on grain sorghums (16 cents per bushel), and 14 cents per bushel on barley.

A farmer will have to comply by diverting an acreage equal to the total intentions shown on his agreement in order to be eligible for any payments or price support. Also, to be eligible for a diversion payment and price support on one farm, a grower taking part in the 1963 feed grain program must not exceed the total feed grain base acreage on any other farm in which he has an interest in these crops.

Advance payments will again be available at the time of sign-up. Final payments will be made after compliance has been determined.

## **Cotton (Upland)**

### *Marketing Quotas*

Not later than October 15, the Secretary is required to proclaim

a marketing quota for upland cotton for the following year's crop when the total supply for the marketing year exceeds the normal supply. (The "normal supply" for upland cotton is the year's estimated domestic consumption and exports plus a 30-percent reserve.)

A referendum must be held by December 15 following the proclamation of quotas; at least two-thirds of the growers voting in the referendum must approve marketing quotas if they are to be in effect.

Marketing quotas are carried out by means of acreage allotments. When quotas are in effect, producers who exceed their farm acreage allotments are subject to a marketing quota penalty on each pound of the farm marketing excess. The penalty rate per pound is 50 percent of the cotton parity price per pound as of June 15 of the calendar year in which the cotton is produced.

### *Acreage Allotments*

The national marketing quota and acreage allotment for the 1962 crop of upland cotton were determined in accordance with section 342 of the Agricultural Adjustment Act of 1938, as amended, which provides that "... the national marketing quota shall be not less than a number of bales equal to the estimated domestic consumption and estimated exports (less estimated imports) for the marketing year for which the quota is proclaimed, except that the Secretary shall make such adjustments in the amount of such quota as he determines necessary . . . to assure the maintenance of adequate but not excessive stocks in the United States . . ."

*National.* The national average allotment for upland cotton is determined by dividing the national marketing quota by the national average yield per acre for the 4 years immediately preceding the



year in which the quota is proclaimed. The process is reversed if the quota is determined under the provision requiring an allotment of at least 16 million acres. In addition, a national acreage reserve of 310,000 acres is available for use to the extent needed in establishing minimum farm acreage allotments, which is distributed to States on the basis of need. The law gives Nevada 1,000 acres of this reserve.

*State.* The national acreage allotment for upland cotton less the amount required for minimum State allotments for four minor cotton-producing States is apportioned among the other States on the basis of the cotton acreage history during the preceding 5 years with adjustment in acreages for individual years as provided by law.

*County.* The State acreage allotment for upland cotton (less the State reserve) is apportioned among counties in the State on the basis of the cotton acreage history in each county during the 5 years preceding the year in which the quota is proclaimed, with adjustment in acreages for individual years for abnormal weather conditions. The State committee is authorized to reserve not to exceed 10 percent of the State acreage allotment (15 percent in the case of Oklahoma) to be used in making adjustments in county allotments for trends in the acreage of cotton or for abnormal conditions adversely affecting production, or for small farms, or new farms, or to correct inequities and to prevent hardship.

*Farms.* The county committee is authorized by law to reserve not more than 15 percent of the county allotment for use in establishing acreage allotments for new cotton farms and for adjusting acreage allotments for old cotton farms.

The following method is used in apportioning the county allotment (less reserve) to old cotton farms in

order to establish equitable allotments for farms regarded as planted in one or more of the 3 years previous to the year for which allotments are being determined.

A minimum allotment equal to the smaller of 10 acres or the 1958 farm allotment is established for each old cotton farm except for downward adjustment as required where 75 percent of the allotment was not planted or regarded as planted for history acreage purposes.

Where the county allotment (less reserve) is greater than the acreage required to establish minimum farm allotments, it is apportioned among farms in the county by applying a uniform county percentage factor to the farm bases. The farm base is the previous year's allotment for the farm adjusted downward as required where 75 percent of the allotment was not planted or regarded as planted for history acreage purposes. However, the allotment for the farm so established shall not be less than the minimum described above.

*Release of Unused Allotments.* If a part or all of a farm cotton acreage allotment is not needed or wanted on the farm, it can be released—for 1 year or permanently—to the ASC county committee, which may reapportion the released allotments to other farms in the same county on the basis of formal requests from the farm operators. Where the allotment is released for 1 year only, the releasing farm, county, and State receive history acreage credit the same as if cotton was actually planted on the farm. No history credit goes to the farm receiving reapportioned acreage.

*Review of Quotas.* Any farmer who is dissatisfied with his marketing quota may appeal in writing to the ASCS county office and have the determination reviewed by a review committee appointed by the

Secretary. If still dissatisfied, the producer may appeal to the proper Federal District or State Court for review of his case.

## **Cotton (Extra Long Staple)**

### *Marketing Quotas*

The Secretary is required to proclaim not later than October 15 a marketing quota for extra long staple cotton for the following year when the total supply exceeds the normal supply for the marketing year by more than 8 percent. (The "normal supply" is the year's estimated domestic consumption and exports plus a 30-percent reserve.)

A referendum must be held by December 15 following the proclamation of the quota, and at least two-thirds of the growers voting in the referendum must approve marketing quotas if they are to continue in effect.

Marketing quotas are carried out by means of acreage allotments. When quotas are in effect, producers who exceed their farm acreage allotments are subject to a marketing quota penalty on each pound of the farm marketing excess. The penalty rate per pound is the higher of (a) 50 percent of the parity price of extra long staple cotton as of June 15 of the calendar year in which the cotton is produced, or (b) 50 percent of the support price for extra long staple cotton on June 15 of such year.

The national marketing quota is the number of pounds of extra long staple which is equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until cotton from the next crop becomes readily available without resort to Commodity Credit

Corporation stocks. However, the national quota may not be less than the larger of 30,000 bales or a number of bales equal to 30 percent of the estimated domestic consumption plus exports of such cotton for the marketing year beginning in the calendar year in which such quota is proclaimed.

### *Acreage Allotments*

*National.* The national acreage allotment for extra long staple cotton is determined by dividing the national marketing quota by the national average yield per acre for the 4 years immediately preceding the year in which the quota is proclaimed.

*State.* The national acreage allotment is apportioned among extra long staple cotton-producing States on the basis of the acreage planted to such cotton during the preceding 5 years with adjustment in acreages for individual years as provided by law.

*County.* The State acreage allotment for extra long staple cotton (less the State reserve) is apportioned among counties in the State on the basis of the acreage planted to extra long staple cotton in each county during the 5 years preceding the year in which the quota is proclaimed, with adjustment in acreages for individual years as provided by law. The State committee is authorized to reserve not more than 10 percent of the State acreage allotment to be used in making adjustments in county allotments for trends in the acreage of extra long staple cotton or for abnormal conditions adversely affecting production, or for small farms or new farms, or to correct inequities and prevent hardship.

*Farms.* The county committee is authorized by law to reserve not more than 15 percent of the county allotment to use in establishing acreage allotments for new cotton farms and for adjusting acreage



allotments for old cotton farms. The county allotment (less reserve) is apportioned among old extra long staple cotton farms by applying a uniform county percentage factor to the farm bases. The farm base is the previous year's allotment for the farm adjusted downward as required where 75 percent of the allotment was not planted or regarded as planted for history acreage purposes.

If a part or all of a farm cotton acreage allotment is not needed or wanted on the farm, it can be released—for 1 year or permanently—to the ASC county committee, which may reapportion the released allotments to other farms in the same county. Where the allotment is released for 1 year only, the farm, county, and State receive history acreage credit the same as if cotton was actually planted on the farm. No history credit goes to the farm receiving reapportioned acreage.

*Review of Quotas.* Any farmer who is dissatisfied with his marketing quota may appeal in writing to the ASCS county office and have the determination reviewed by a review committee appointed by the Secretary. If still dissatisfied, the producer may appeal to the proper Federal District or State Court for review of his case.

## **Peanuts**

### *Marketing Quotas*

Regardless of the supply of peanuts, the Secretary is required between July 1 and December 1 of each year to proclaim a national marketing quota for the next crop of peanuts.

*The national marketing quota* is the quantity of peanuts which will supply the market with a crop equal to the average quantity harvested for nuts during the preceding 5 years. Certain adjustments are made in the national marketing

quota to allow for current trends and prospective supply conditions. The national marketing quota cannot be less than that quantity which will provide a national acreage allotment of 1,610,000 acres.

*Marketing Quota Referendum.* In years when a referendum is required, it must be held not later than December 15 to determine whether or not peanut producers favor marketing quotas. In the referendum, growers may vote for quotas for 3 years, or they may vote against quotas. At least two-thirds of the growers voting in the referendum must approve before quotas can be put in effect. If quotas are disapproved, another referendum must be held the following year. If quotas are approved, no referendum is required for the second and third years of the 3-year period.

### *Acreage Allotments*

*The national acreage allotment* is determined at the time the national marketing quota is proclaimed by dividing the national quota by the average yield per acre for the preceding 5 calendar years, with such adjustments as are necessary for trends in yields and for abnormal conditions.

*State allotments* result from the apportionment of the national acreage allotment among States on the basis of each State's share of the national allotment for the preceding year. A small acreage is set aside for "new" peanut farms before the national allotment is divided among the States.

*County and Farm Allotments.* The Agricultural Adjustment Act of 1938, as amended, provides that the State allotment may be apportioned in one of two ways: (1) Direct to farms by the application of a uniform State factor to farm adjusted acreages as determined by the ASC county committees, or (2) to counties by the ASC State committee, and to farms by the applica-

tion of a county factor to farm adjusted acreages as determined by the ASC county committee. In recent years, however, the Secretary has provided by regulations that the various State allotments be apportioned directly to eligible farms and county allotments have not been established.

Allotments are established for farms on which more than 1 acre of peanuts were picked or threshed (or so considered under program provisions relating to preservation of allotment-history acreage) during one or more of the past 3 years on the basis of: Peanut-producing experience of the producer; past acreage of peanuts, taking into consideration previous allotments; abnormal conditions; land, labor, and equipment available for peanut production; crop-rotation practices; soil and other physical factors affecting the production of peanuts.

A part or all of a farm peanut acreage allotment can be released—for 1 year or permanently—to the ACS county committee, which may reapportion the released acreage to other farms in the same county on the basis of formal requests from the farm operators.

If the allotment is released for 1 year, the releasing farm retains its planting history and the farm to which the allotment is apportioned receives no history credit for planting the released allotment.

*Increase in Peanut Allotments.* When the Secretary determines that the supply of all peanuts or of any one type of peanuts is insufficient to meet demands for cleaning and shelling, he is required to make appropriate increases in allotments for such peanuts.

*Marketing Quota Penalty.* Peanuts marketed in excess of the farm marketing quota are subject to a penalty equal to 75 percent of the basic price-support rate for the year in which the peanuts are produced. Farms on which 1 acre or

less of peanuts is harvested are exempt from marketing quotas unless a producer sharing in such peanuts has an interest in peanuts produced on another farm.

*Review of Quotas.* Any farmer who is dissatisfied with his marketing quota may appeal and have the determination reviewed by a review committee appointed by the Secretary. If still dissatisfied, the producer may appeal to a Federal District or State Court for review of his case.

## **Tobacco**

### *Marketing Quotas*

*National.* The Secretary of Agriculture first proclaims a national marketing quota, in pounds, for a particular kind of tobacco when supplies exceed 5 percent above normal. After that, a quota is announced each year without regard to the supply level.

A national marketing quota for any kind of tobacco is the amount estimated to be needed to keep the supply in balance with the demand. The amount is determined according to a formula in the act.

Tobacco for which marketing quotas now are in effect include these kinds: Burley (type 31), flue cured (t. 11, 12, 13, 14), fire-cured (t. 21, 22, 23, 24), dark air-cured (t. 35, 36), Virginia sun-cured (t. 37), Maryland (t. 32), cigar-filler and cigar-binder (t. 42, 43, 44, 53, 54, 55), and cigar-binder (t. 51, 52).

The national marketing quota must be proclaimed not later than December 1 for flue-cured tobacco and February 1 for other kinds of tobacco. (An exception to the rule for proclaiming quotas is that, if growers have disapproved quotas 3 years in succession, quotas may not be proclaimed again for that kind of tobacco within the succeeding 3-year period unless growers so petition the Secretary. This presently applies only to cigar-filler, type 41, grown in Pennsylvania.)



*Referendum.* After a marketing quota is proclaimed, a referendum of growers is held to determine whether they favor or oppose quotas. If more than one-third of the growers voting disapprove, the marketing quotas will not be in effect, and another referendum will ordinarily be held the following year. If at least two-thirds of the growers voting approve quotas, the national marketing quota becomes effective. In any referendum, growers may vote for quotas for 3 years or they may vote against quotas. When they approve quotas for 3 years, the marketing quota program is effective for each of the 3 years without another referendum.

### *Acreage Allotments*

*State.* The national marketing quota is divided among the States producing that kind of tobacco and converted into State acreage allotments (the number of acres needed to produce the State's marketing quota) primarily on the basis of the acreage grown in each State during the preceding 5 years. A small percentage of the national marketing quota is made available for allotment through ASC county committees for "new farms" and for adjustments, corrections, and overlooked farms.

*Farm.* The State allotments are divided among tobacco farms in the State. Thus, the national marketing quota program for any kind of tobacco operates through acreage allotments to individual farms. By complying with his farm acreage allotment, a farmer may market all his tobacco free of penalty and his crop will be eligible for price support. If he exceeds his acreage allotment, his crop, when marketed, is subject to a marketing quota penalty and is not eligible for price support.

*Marketing Quota Penalty.* Marketings of a kind of tobacco from

an acreage in excess of the farm acreage allotment are subject to a penalty of 75 percent of the average market price for that kind of tobacco for the immediately preceding year.

*Review of Quotas.* Any farmer who is dissatisfied with the marketing quota for his farm may appeal in writing through the ASCS county office to a review committee appointed by the Secretary. If the farmer is dissatisfied with the review committee's determination, he may appeal further to an appropriate Federal District or State Court for a review of his case.

## **Rice**

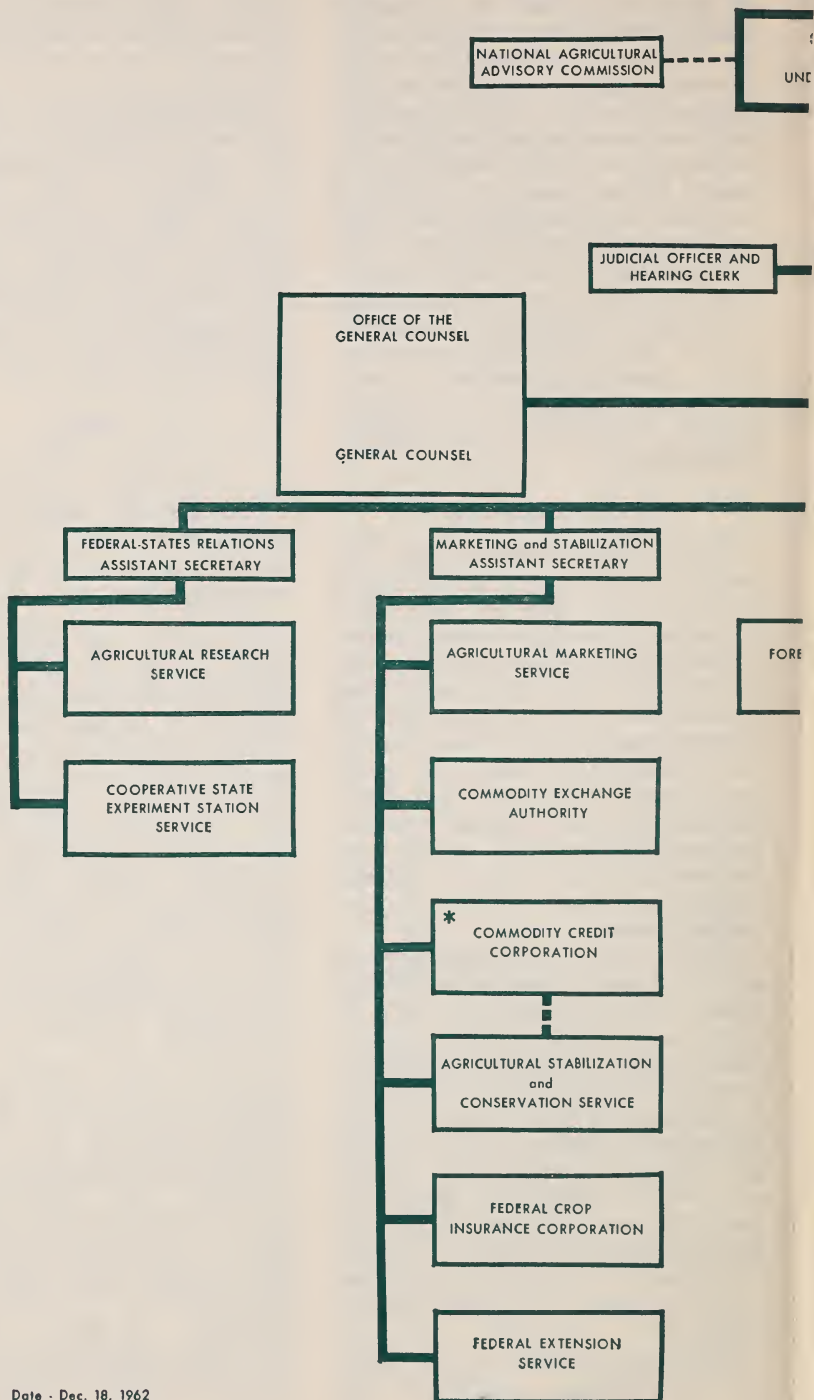
### *Acreage Allotments*

Rice acreage allotments are required every year unless the Secretary dispenses with them under the emergency provisions of the law.

*National.* The national acreage allotment of rice is that acreage which, at the national average yield of rice for the 5 preceding calendar years, will produce an amount of rice adequate, together with the estimated carryover from the marketing year ending in the calendar year for which such national acreage allotment is determined, to make available a supply not less than the normal supply. December 31 is the latest date for proclaiming the national rice acreage allotment. The national acreage allotment may not be less than the total acreage allotted in 1956.

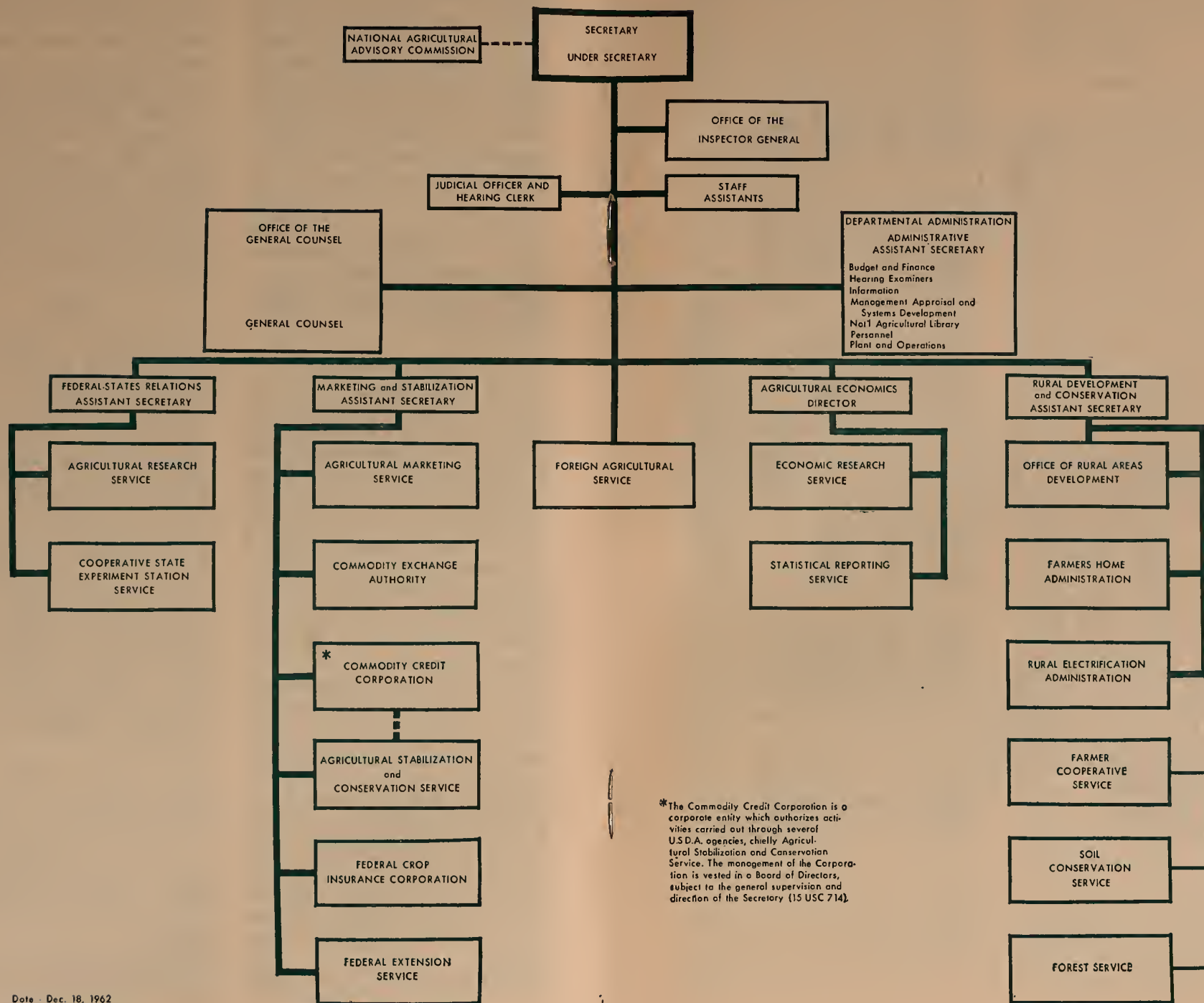
*State.* The national acreage allotment, less a reserve of not to exceed 1 percent for adjustments in allotments for farms receiving inadequate allotments because of an insufficient State or county allotment, is apportioned among the States in the same proportion that they shared in the total allotment in 1956.

*County.* The State acreage allotment, less a reserve of not to exceed 3 percent for new farms, is apportioned



Date - Dec. 18, 1962

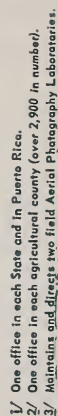
# UNITED STATES DEPARTMENT OF AGRICULTURE



\*The Commodity Credit Corporation is a corporate entity which authorizes activities carried out through several U.S.D.A. agencies, chiefly Agricultural Stabilization and Conservation Service. The management of the Corporation is vested in a Board of Directors, subject to the general supervision and direction of the Secretary (15 USC 714).

Date - Dec. 18, 1962





Prepared by:  
Classification and Organization Branch

tioned to counties on the same basis as the national allotment is apportioned to States. In States or administrative areas where farm allotments are determined on a producer basis, the State or administrative area allotment is apportioned directly to the producer who in turn assigns such allotment to the farm(s) on which he will produce rice in the State, or administrative area, as applicable.

*Old Farms. (a) Producer Basis.* The State acreage allotment less a reserve of not to exceed 3 percent for new producers, is apportioned to farms owned or operated by persons who have produced rice in the State in at least 1 of the 5 preceding calendar years on the basis of past production of rice in the State by the producer on the farm, taking into consideration the acreage allotments previously established for the producer; abnormal conditions affecting acreages; land, labor, and equipment available for the production of rice; crop-rotation practices; and the soil and other physical factors affecting the production of rice.

*(b) Farm Basis.* The county acreage allotment is apportioned to farms on which rice has been produced in at least 1 of the 5 preceding calendar years on the basis of past production of rice on the farm, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of rice; crop-rotation practices; and the soil and other physical factors affecting the production of rice.

*New Farms. (a) Producer Basis.* Up to 3 percent of the State allotment may be apportioned to producers who have not produced rice in the State in any 1 of the past 5 years.

*(b) Farm Basis.* Up to 3 percent of the State allotment may be apportioned to farms on which rice has not been planted during any of the past 5 years.

### *Marketing Quotas*

The Secretary is required to proclaim marketing quotas for the crop of rice produced in the next calendar year when the total supply of rice for the current calendar year exceeds the normal supply. (A "normal supply" of rice is a year's estimated domestic consumption and exports plus a 10-percent allowance for carryover.) December 31 is the latest date for proclaiming the marketing quotas. Within 30 days after a proclamation of rice marketing quotas, a referendum must be held among farmers engaged in the production of the immediately preceding crop of rice, to determine whether such farmers are in favor of or opposed to such quotas. At least two-thirds of the farmers voting in the referendum must approve marketing quotas if they are to remain in effect.

The marketing quota of rice for any farm on which the rice acreage allotment is not exceeded is the actual production of rice on the farm. If the farm rice acreage allotment is exceeded, the marketing quota for the farm is the actual production of rice less the normal production of the excess acreage of rice on the farm. If the total production of rice on the farm is less than the normal production of the farm acreage allotment, the farm marketing quota would be the actual production even if the farm acreage allotment had been exceeded.

When marketing quotas on rice are in effect, producers who harvest rice in excess of their farm acreage allotment are subject to a marketing penalty on the excess rice. The marketing quota penalty is equal to 65 percent of the parity price per

pound for rice as of June 15 of the calendar year in which such crop is produced.

*Review of Quotas.* Any farmer who is dissatisfied with his marketing quota may appeal and have the

determination reviewed by a review committee appointed by the Secretary. If still dissatisfied, the producer may appeal to a Federal District or State Court for review of his case.

## PRICE SUPPORT AND INCENTIVE PROGRAMS

Price-support operations carried on by the U.S. Department of Agriculture through the Commodity Credit Corporation seek to establish price minimums or "floors" for a number of agricultural commodities.

Price supports are mandatory for the basic commodities—wheat, corn, cotton, tobacco, peanuts, and rice—and for the following designated nonbasic agricultural commodities: Wool and mohair, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Beginning with the 1959 crops, price support was also made mandatory for oats, rye, barley, and grain sorghums. For other nonbasic agricultural commodities, price supports are permissive, at the discretion of the Secretary of Agriculture, except that whenever the price of either cottonseed or soybeans is supported the price of the other must also be supported at such level as the Secretary determines will cause them to compete on equal terms on the market.

During recent years, price support has been made available for such nonbasic commodities as flaxseed, soybeans, dry edible beans, cottonseed, and gum naval stores.

Methods of carrying out price supports vary by commodities. Generally, for storable commodities, the methods used are farm- and warehouse-storage loans, and purchase agreements. Direct purchases are used when necessary, usually for perishable commodities. Wool and mohair prices are supported through incentive payments.

### Duties of County Committees

1. Supervise the determination of producers' eligibility for price support or wool incentive payments.

2. Make loans to farmers and accept loan repayments.

3. Consider special or unusual cases not covered in official instructions.

4. In the case of cotton, appoint loan clerks and witnesses for equity transfers.

5. Make sure that all cases involving theft, fraud, conversion, or other irregularities are reported promptly to the ASC State committee.

6. Make the determinations required by regulations and instructions covering price supports or incentive payments.

### Peanuts

Price support is mandatory for peanuts, a "basic" commodity. The support level ranges between 75 and 90 percent, depending upon the supply.

*Method of Support and Administration.* An eligible producer may obtain price support on eligible farmers stock peanuts in one of three ways:

1. He may deliver peanuts to a warehouse that is under contract with a peanut grower association operating under a loan agreement with CCC. The warehouseman, on behalf of the association, issues a draft to the producer for the full price-support value of the peanuts. The draft, drawn on a lending agency approved by CCC, may be



cash or credited to the producer's account at any commercial bank. The producer waives his right as an individual to regain possession of his peanuts after delivery to the warehouse. However, he authorizes the association to redeem them and sell them for and on his behalf. The producer shares in any net profits the association may earn through redeeming and marketing farmers stock peanuts.

2. He may obtain a farm storage loan on peanuts in approved farm storage. Producers apply for the loans at the ASCS county office, which arranges for inspection of the storage facilities and for inspection, sampling, and grading of the peanuts. The county office prepares and approves the loan documents and determines the amount of the loan. Payment may be made by the county office, a commercial bank, or a production credit association. The producer may redeem the peanuts by repaying the amount of the loan, plus interest and charges, or he may deliver the peanuts to CCC upon maturity.

3. He may obtain a purchase agreement through the county office. CCC agrees to purchase, at the loan rate, any quantity of peanuts the producer elects to deliver up to the quantity specified in the purchase agreement. The peanuts may be stored on or off the farm, but those stored off the farm must be stored on an identity-preserved basis.

If the producer who signs a purchase agreement wishes to sell the peanuts to CCC, he will have a 30-day period specified by CCC during which he must notify the county committee in writing of his intention to sell. The producer shall deliver the peanuts in accordance with delivery instructions issued by the ASCS county office.

*Acreage Allotments and Marketing Quotas.* When marketing quo-

tas are in effect, a producer's eligibility for price support is based on compliance with the peanut acreage allotment established for his farm under the marketing quota regulations.

### **Grains and Related Commodities (Flaxseed, Soybeans, and Dry Edible Beans)**

Price support is mandatory for wheat, corn, rice, oats, rye, barley, and grain sorghums. If the price of either soybeans or cottonseed is supported, the Secretary is required to support the price of the other commodity at such level as will cause these commodities to compete on equal terms on the market.

For wheat, the level of price support for 1963 is \$2 for growers participating in the 1963 wheat stabilization program and \$1.82 for growers who comply with their wheat acreage allotment. The support to participating growers is partly through loans and purchase agreements and partly through a price-support payment of 18 cents a bushel on the normal yield of the 1963 wheat acreage. For 1964, see section on Wheat Marketing Allocation, p. 11.

For rice, the support may range from 65 to 90 percent of parity.

When allotments are in effect, producers are required to comply with their farm allotment to be eligible for price support on the commodity. If producers disapprove marketing quotas for rice or wheat, the available price support drops to 50 percent of parity.

For corn, the level of support shall be established by the Secretary at a level not less than 65 percent of parity. The level of supports for other feed grains is based on the relation to the support level of corn, taking into consideration feeding value relationship to corn and other factors.

In determining the price level, the Secretary of Agriculture takes the following factors into consideration: (1) The supply of the commodity in relation to the demand; (2) the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn; (3) the availability of funds; (4) the perishability of the commodity; (5) the importance of the commodity to agriculture and the national economy; (6) the ability to dispose of stocks acquired through a price-support operation; (7) the need for offsetting temporary losses of export markets; and (8) the ability and willingness of producers to keep supply in line with demand.

For flaxseed and dry edible beans, price support may be made available, within the range of 0 to 90 percent of parity, at the discretion of the Secretary of Agriculture.

*Method of Support and Administration.* Price support is made available to farmers through farm- and warehouse-storage loans and through purchase agreements, and, in the case of 1963-crop wheat, corn, grain sorghums, and barley, partly through price-support payments in kind.

### *Loans*

Loans are nonrecourse in nature; that is, the producer has the right to deliver the commodity after maturity in the quantity and quality described in the loan documents in full satisfaction of his loan.

Most price-support loans are disbursed by financial institutions, usually local banks. The financial institution provides the money to the farmer and holds the certificate of interest, which is one of the loan papers made out in the county office. CCC also makes some loans through the ASCS county office. All loan repayments are made at the ASCS county office.

In the case of farm-stored commodities, an inspector from the ASCS county office inspects the adequacy of the producer's farm storage facilities, measures the quantity stored, takes a sample of the commodity to be tested for grade or eligibility, and affixes a seal to the bin or crib. If the producer can meet requirements, the county office makes out a note and chattel mortgage. If the loan is to be made by a financial institution, a certificate of interest is also made out. The producer, after signing these documents, may obtain a loan from a financial institution or from the county office by sight draft drawn on CCC.

For commodities stored in warehouses approved by CCC, the producer presents his warehouse receipt to the ASCS county office and signs a note. The producer then obtains his loan from a financial institution or from CCC through the ASCS county office. If the loan is to be made by a financial institution, the county office also makes out a certificate of interest.

The producer may repay his loan at any time before the note matures; he is charged interest only for the period the loan is in effect. For 1962 crops, the rate of interest is  $3\frac{1}{2}$  percent. After payment, the canceled note is returned to the producer. In the case of a farm-storage loan, the mortgage is released, and in the case of a warehouse loan, the warehouse receipt is returned to the producer. If the producer delivers the commodity to CCC in repayment of the loan, there is no interest charge to the producer. In the case of loans obtained through fraud, interest will be at the rate of 6 percent per annum from the date of disbursement.

### *Purchase Agreements*

A producer obtains a purchase agreement through the county office



after paying a small service charge and signing a document that specifies the maximum amount of the commodity he may elect to sell to CCC after the loan maturity date. CCC agrees to purchase at the support rate any quantity the producer elects to deliver, up to and including the maximum quantity covered by the agreement.

The producer must, within a 30-day period specified by CCC, declare his intention to deliver under the purchase agreement. If the commodity is stored in an approved warehouse, the producer turns over to the ASCS county office warehouse receipts representing the quantity of the commodity he elects to offer. In the case of a commodity stored in other than approved warehouse storage, the producer notifies the ASC county committee of his intention to deliver and, after the issuance of delivery instructions, makes delivery to the place designated by CCC.

## **Tobacco**

Tobacco price support is mandatory for those years and kinds of tobacco for which marketing quotas have not been disapproved. When marketing quotas are disapproved, no price support is available. Growers who exceed their farm acreage allotments are not eligible for price support.

The mandatory level of support for any kind of tobacco is determined by multiplying the support level applicable to the 1959 crop by the ratio of a 3-year moving average of the cost of things that farmers buy to such cost in 1959.

*Administration.* Tobacco price support is carried out through producer marketing cooperatives. Agreements between the cooperatives and the Commodity Credit Corporation provide for handling and storage of tobacco placed under price support. The price-support

loans are nonrecourse, and mature on demand.

In areas where tobacco is marketed through the auction system, price support is available to eligible growers through the auction warehouses.

In nonauction market areas, price support is made available to eligible growers directly by the cooperative association.

## **Cotton (Upland and Extra Long Staple)**

Price support is mandatory for eligible upland cotton and extra long staple cotton.

*Method of Support.* Cotton prices in 1962 are supported by means of *loans* on eligible upland cotton and on eligible extra long staple cotton. The cotton must be either stored in approved warehouses or represented by bills of lading for shipment to approved warehouses.

Loans will be made through persons and firms which meet requirements prescribed by the Commodity Credit Corporation and which have entered into agreements with CCC to make loans to producers, or they will be made directly by ASCS county offices.

When the applicable farm acreage allotment for upland cotton or for extra long staple cotton is knowingly exceeded, the kind of cotton in noncompliance is ineligible for price support. The two kinds of cotton are treated independently, and one cannot be substituted for the other.

*Level of Support.* The level of support for each kind of cotton (upland or extra long staple) is determined as follows:

If producers have not disapproved marketing quotas for upland cotton for a particular crop year, the level of price support is mandatory at a level between 65 and 90 percent of parity.



If producers have not disapproved marketing quotas for extra long staple cotton for a particular crop year, the level of price support is mandatory at a level between 60 and 75 percent of parity.

If producers have disapproved marketing quotas on any crop of upland cotton or of extra long staple cotton, the level of price support for such crop of such kind of cotton will be 50 percent of parity.

*Administration.* In the field, the cotton price support program is administered through the New Orleans ASCS Commodity Office and the ASCS State and county offices. Loans are disbursed by approved lending agencies and county offices of the counties in which the cotton was produced. However, no lending agency will be approved in a county if the ASC State Committee determines that individual loans in such county will be made only at the county office. State and county committees have the responsibility for the appointment and supervision of loan clerks. Warehouses and lending agencies are approved by the New Orleans office.

### **Milk and Butterfat**

Prices of milk and butterfat, "designated nonbasic commodities," are supported at such levels from 75 to 90 percent of parity as the Secretary of Agriculture determines will assure an adequate supply. The law provides that support shall be carried out by purchase of or loans on milk and dairy products. The support has been carried out by purchases of butter, cheese, and nonfat dry milk and by special programs to increase milk consumption by military personnel, and veterans hospital patients.

*Administration.* Purchases are made by ASCS Commodity Offices from manufacturers and handlers.

### **Cottonseed**

Price support for cottonseed is discretionary with the Secretary of Agriculture, who determines the support level (within a range of 0 to 90 percent of parity) after considering such factors as supply, support levels for other commodities, and importance of the commodity. However, whenever the price of soybeans or cottonseed is supported, the price of the other must be supported at such level as the Secretary determines will cause these commodities to compete on equal terms on the market.

*Method of Support.* Prices for cottonseed have been supported by means of nonrecourse farm-storage loans and, if necessary, through purchases. Such purchases are made from producers at the support level, or from participating ginners at the guaranteed program price.

*Administration.* Loans and purchase programs in the field are administered by State and county committees through their designated employees. Lending agencies are approved by the county committee. Loans are disbursed through sight drafts by approved lending agencies and by designated employees.

The New Orleans ASCS Commodity Office is in charge of the storage and handling of all CCC-owned cottonseed after delivery of the cottonseed to an oil mill or an approved storage facility, and the sale, crushing, and processing of cottonseed, and the transportation, storage, handling, and sales of products therefrom, if any.

### **Tung Nuts**

Price support for tung nuts, a "designated nonbasic agricultural commodity," is mandatory at a level not less than 60 nor more than 90 percent of parity as determined by the Secretary after considering

## Wool and Mohair

such factors as supply, support levels for other commodities, and importance of the commodity. However, in any year in which it is determined that the domestic production of tung oil is less than the domestic demand therefor, the price of tung nuts must be supported at not less than 65 percent of parity.

*Method of Support.* Prices for tung nuts are supported by means of purchase agreements. Non-recourse loans and purchase agreements are available for producer-owned tung oil at a rate equivalent to the support price for tung nuts.

*Administration.* The ASCS county offices receive applications for price support, make out necessary documents, and issue drafts for tung oil represented by loan documents and for tung nuts or tung oil tendered under purchase agreements. The county committees purchase for CCC from approved lending agencies the notes evidencing loans secured by warehouse receipts issued by approved warehouses.

County committees take delivery of eligible tung nuts on the basis of the weight and oil content which is shown by an analysis made by an approved chemist.

## Honey

Price support for honey, a "designated nonbasic commodity," is mandatory at not less than 60 percent nor more than 90 percent of the parity price. The level of support is determined by the Secretary of Agriculture after considering such factors as supply, support levels for other commodities, and the importance of the commodity. Prices of honey are supported through farm storage loans and purchase agreements.

*Administration.* Loans and purchase agreements for honey are handled in about the same way as for grain and related commodities.

The National Wool Act of 1954, as amended, calls for the support of prices for wool and mohair marketed in the period between April 1, 1955, and March 31, 1966. The act specifies that shorn wool shall be supported at an incentive level which will encourage an annual production of 300 million pounds; the support, however, cannot be more than 110 percent of parity. Provision is made for support of pulled wool and mohair at levels in relation to the support for shorn wool.

*Method of Support.* Payments will be made to producers of shorn wool after the end of the marketing year in an amount sufficient to bring the average price received by producers for all wool sold during the marketing year up to the announced incentive level. An individual producer's payment will be determined by applying to his net sales proceeds the percentage payment rate needed to bring the average price received by all producers up to the support level.

Pulled wool price support is carried out by making payments on sales of lambs that have never been shorn regardless of whether they are sold for replacement, feeding, or slaughter. Then, if the new owner sells the lambs without shearing them, his lamb payment will be adjusted downward by the amount due on the weight of the lambs purchased. Likewise, if he shears the lambs and sells the wool, his wool payment will be adjusted downward by this same amount. In this way, the original producer and the later feeder or breeder-owner share in the payments. Price-support payments for pulled wool are based upon the hundredweight of unshorn lambs sold, adjusted downward for any purchases of unshorn lambs.



Mohair price-support payments, if required, will be made in the same way as incentive payments on shorn wool, except that no downward adjustment is made for purchases of young goats. Since the beginning of the program April 1, 1955, mohair prices have been above the support level, and thus far it has not been necessary to make any mohair payments.

Applications for payments are filed with the ASCS county office serving the county in which a producer's farm or ranch headquarters is located.

*Administration.* Major activities of the county office include reviewing, approving and recording assignments and handling, as requested by payees; assisting in the preparation of and recording applications for payment; preparing and transmitting copies of the application register and other reports to the State office; preparing and issuing sight drafts to producers.

### **Gum Naval Stores**

Price support for gum naval stores is discretionary with the Secretary of Agriculture at any level, but not more than 90 percent of parity. In determining the support level, the Secretary takes into consideration the eight factors specified in section 401(b), title IV of the Agricultural Act of 1949, as amended. The support level is announced on crude pine gum, for which parity is computed and announced monthly by the Department. Individual loan rates are established for the primary processed and storable derivatives, gum rosin and gum turpentine, which constitute the loan collateral in processed or unprocessed form. Under the 1962 program, the price for turpentine is not supported although the crude pine gum support includes a weight for turpentine

equal to its prospective 1962 market value.

*Administration.* The program is administered within the Department of Agriculture by the Naval Stores Branch, Farmer Programs Division, ASCS. Field administration of the program is conducted through the American Turpentine Farmers Association Cooperative (ATFA), as agent of CCC. The ASCS Commodity Office is responsible for fiscal, audit, and safekeeping functions. ASCS county committees have no administrative responsibilities.

*Method of Support.* Prices are supported through a non-recourse loan by CCC to, and governed by an agreement with, ATFA. The loan agreement with CCC prescribes ATFA's authority and enables ATFA, among other things, to make loans to eligible producers on eligible naval stores produced domestically and placed in collateral position in approved storage.

Eligible naval stores under the 1962 program consist of processed rosin and the content thereof in eligible crude pine gum produced domestically during the 1962 calendar year. Any producer of crude pine gum who follows good forestry conservation practices as determined by ATFA, of which he is a member, is eligible for price support. ATFA membership comprises more than 95 percent of U.S. pine gum production.

Loan availability expires December 31; producers' redemption rights, exercised individually or through ATFA, extend to the following June 30, at which time the loan matures unless payment is demanded earlier by CCC. Upon loan maturity, CCC acquires full and complete title to the loan collateral and may dispose of the acquired collateral either directly or through ATFA or otherwise.



## STORAGE ACTIVITIES

### Farm Storage Facility Loans

Under the farm storage facility loan program, any farmer, landlord, or producer-partnership may borrow up to 85 percent of the cost of new storage bins, cribs, or other approved storage structures. However, such loans may not exceed an amount equal to 50 cents times the bushel capacity of the facility.

The facility must meet requirements for storage under the price-support programs. All loans of \$1,000 or more must be insured in an amount not less than the outstanding balance of the loan. Such insurance shall be at the borrower's expense and must be maintained until the loan has been repaid.

Application for a loan may be made at any ASCS county office in the continental United States and Alaska. Loans are made direct by CCC. Loans may be obtained on facilities for needed storage of wheat, corn, oats, rye, barley, soybeans, dry edible beans, rice, peanuts, cottonseed, and flaxseed. The loans may be paid off over a 5-year period, with the first installment payable during the 12-month period following the first anniversary of the loan. Interest is charged at the rate of 4 percent per annum on the unpaid balance.

*Administration.* County committees must:

1. Determine that the facility is needed and that the bushel-capacity proposed is in keeping with program objectives and regulations.

2. Approve loans up to \$2,500. (Loans above that amount must be referred to the ASC State committee with the recommendation of the ASC county committee prior to the issuance of a commitment.)

3. Determine that the amount of the loan does not exceed the maximum amount authorized for the State by the ASC State committee.

4. Consider requests for extension or deferment of current installments.

5. Recommend calling of loans when required.

6. Consider requests for sublease of facility.

### Mobile Drying Equipment Loans

This program is designed to help any farmer to purchase needed mobile drying equipment (such as air circulators, ventilators, tunnels, and power fans, or any combination thereof, and mechanical driers of a mobile type).

The maximum amount to be loaned on any single mobile drier or any mobile equipment suitable for conditioning of grain is 95 percent of the assembled and delivered cost. Loans will be made by CCC through the ASCS county offices in the continental United States and Alaska. Loans are repayable over a 3-year period, with the first payment due on the first anniversary date of the loan.

Loans are available to purchase equipment for use in conditioning of corn, oats, barley, grain sorghums, wheat, rye, soybeans, flaxseed, rice, dry edible beans, peanuts, and cottonseed.

Loans are not available for the purchase of equipment for use in connection with the conditioning of commodities which the borrower intends to purchase or store for others.

Loans are secured by chattel mortgages on the mobile drier or equipment, or by other security instruments approved by CCC. Insurance is required on all equipment mortgaged to secure the loans, regardless of the amount of the loan.

*Administration.* County committees:

1. Determine that the drying equipment is needed.

2. Approve loans up to \$5,000. Applications for loans over \$5,000 must be submitted to the ASC State committee prior to the issuance of a commitment.

3. Determine that the amount of the loan does not exceed the maximum amount authorized for the State by the ASC State committee.

4. Consider requests for extension or deferment of current installments.

5. Recommend calling of loans when required.

### **Uniform Storage Agreements**

*General.* Storage activities are conducted by the Commodity Credit Corporation, which executes uniform storage agreements with commercial warehousemen wishing to store price-support and Government-owned commodities and whose facilities are found to be suitable for such storage.

These agreements do not guarantee that CCC will use the facilities after being approved, and they do not obligate the warehousemen to accept price-support commodities for storage. The agreements set forth the terms and conditions under which commodities will be received, stored, and loaded out in the event the warehouse is utilized for the storage of price-support commodities.

*Administration.* ASCS Commodity Offices are responsible for the warehouse storage programs in their respective areas. Consequently, applications for approval, inspections, and all matters pertaining to operations under the agreements are handled by these offices.

*Price Support.* Warehouse receipts, in order to be eligible collateral under price-support programs, must be issued by a warehouseman who has been approved by CCC and is operating under the provisions of the agreements.

Agreements are in effect for grain, rice, dry edible beans, seed,

cotton, oils and peanuts, and processed commodities.

### **CCC-Owned Storage**

As of the beginning of 1962, CCC owned 236,945 grain storage structures having a total storage capacity of approximately 980 million bushels.

*Why Bought.* These bins were bought at times when existing storage facilities were not adequate to take care of the grain which was expected to be delivered to CCC under price-support operations.

*How Used.* CCC-owned bins are used for storage of grain acquired under price-support operations when approved available commercial storage facilities are inadequate. When not needed for storage of CCC-owned grain, the county committee may rent CCC bins to farmers or grain warehousemen.

*Where Situated.* Most CCC-owned bins are erected on sites leased through county committees, although a few sites have been purchased by CCC.

### *Duties of County Committees*

County committees are responsible for seeing that the following duties are carried out properly:

1. Leasing of bin sites.
2. Supervision and maintenance of sites, bins, and equipment.
3. Supervising receipt and withdrawal of CCC-owned grain at bin sites.
4. Supervision, inspection, and maintenance of grain stored at bin sites or in leased emergency facilities.
5. Reporting monthly to the State committee on the quantity and condition of grain stored.
6. Renting bins to farmers or grain warehousemen, and checking rented bins to be sure that they are being used in accordance with the rental agreement.



## SUGAR ACT PROGRAMS (BEET AND CANE)

The Sugar Act of 1948, as amended, is designed to protect the welfare of the domestic sugar industry, to provide adequate supplies of sugar for consumers at fair prices, and to promote international trade. Measures to achieve these objectives include the adjustment of sugar supplies that may be marketed in the United States and management of the fee applicable to imported sugar.

*Determining Sugar Requirements.* Each December, the Secretary of Agriculture is required to determine how much sugar will be needed to meet United States requirements for the next calendar year. The determination, which may be revised later if the needs change, establishes the quantity of sugar that may be marketed in the United States during the year. Prior to the initial determination, an informal hearing usually has been held to receive the views of interested persons.

*Establishing Quotas.* After requirements are determined, each domestic and specified foreign producing area supplying the United States with sugar is assigned a quota representing its share of the U.S. market.

Under the quota provisions enacted in 1962, the domestic sugar-producing areas are assigned a base of 5,810,000 short tons, raw value, plus 65 percent of requirements in excess of 9,700,000 tons. Such increases are shared by the domestic beet sugar area and the mainland cane sugar area in proportion to their basic quotas, or approximately on a three-fourths and one-fourth basis, respectively.

Quotas for Hawaii and Puerto Rico may be increased when the need is demonstrated, with such increases being offset by reductions for the quantity prorated to foreign countries other than the Republic of the Philippines.

Beginning in 1962, the quota for the Republic of the Philippines is fixed at 1,050,000 tons of sugar, or about 70,000 tons, raw value, more than was previously provided for in both the Philippine Trade Agreement and the Sugar Act. Quotas for other specified foreign countries are established as percentages of the requirements remaining after the quotas for domestic areas and the Philippines have been established.

The proration to the various domestic and specified foreign supply areas at the basic level of requirements (9,700,000 tons) and from each 100,000-ton increase above this level is shown below:

Area	Quotas for individual areas	
	When annual requirements are 9,700,000 tons	Additional for each 100,000 tons required in excess of 9,700,000 tons
	(Short tons, raw value)	
Domestic beet.....	2,650,000	48,589
Mainland cane.....	895,000	16,411
Hawaii.....	1,110,000	0
Puerto Rico.....	1,140,000	0
Virgin Islands.....	15,000	0
Philippines.....	1,050,000	0
Cuba.....	1,484,121	20,220
Other foreign countries.....	1,355,879	14,780
Total.....	9,700,000	100,000

<sup>1</sup> Percentage proration reduced 150,000 tons to cover added allocations to Dominican Republic and Argentina. Balance of proration, not made while U.S. is not in diplomatic relations with Cuba, becomes "global quota."

Whenever the United States is not in diplomatic relations with any country (currently Cuba), any quota otherwise specified for it under the act is not granted. The quantity so withheld may be designated a "global quota" to be filled by competitive imports of raw sugar from any country which, for the current and next preceding year, is a net exporter of sugar. The act requires that in authorizing such "global" importations, special consideration is to be given to countries



of the Western Hemisphere and to those countries purchasing U.S. agricultural commodities.

Most of the quotas for the domestic offshore and foreign supply areas may be filled only with raw sugar, which is defined as sugar which is to be further refined or improved in quality on the mainland. Other sugar is called "direct-consumption sugar," and includes primarily white refined and other types of sugar familiar in home consumption.

Prior to 1960, about 650,000 tons of direct-consumption sugar were entered from offshore domestic and foreign areas each year. In 1960, the quantity was much smaller, in 1961 only one-half as large, and under the 1962 amendments the total has been reduced to about 250,000 tons, almost all of it to come from offshore domestic areas and the Republic of the Philippines.

Unrestricted imports of refined sugar would reduce the volume of mainland refining and would create price problems because offshore direct-consumption sugar is quoted at lower prices than sugar refined in the United States.

*Fees Applicable to Foreign Sugar.* Importations to replace quotas not granted because of lack of diplomatic relations are subject to a fee to take up the difference between a price in the United States that will fulfill the objectives of the act and the price at which sugar is available for import. Thus the fee, when applicable at the full rate, diverts to the U.S. Treasury amounts roughly comparable to the so-called "premium" that foreign countries otherwise receive on sales to the United States as compared with sales to most other countries. No fee is applicable to imports under quota from the Philippines.

Fees lower than the full "premium" rate apply to importations within basic quotas for foreign countries other than the Philippines and to all importations to fill "defi-

cit allocations" resulting from the inability of any domestic area or foreign country to fill its basic quota. The rates for such importations of raw sugar are 10, 20, and 30 percent of the full rates for 1962, 1963, and 1964, respectively. Rates for sugar for direct consumption are 0.1, 0.2, 0.3 cent per pound more than for raw sugar in the same annual succession.

If the Secretary finds that the pressure of supplies in an area is likely to cause disorderly marketing, he must allot the quota fairly among the processors. The allotment is based on past marketings of sugar by the various processors, their ability to market sugar during the season for which the allotment is being made, and on their sugar processings from beets or cane to which "proportionate farm shares" pertain. In 1961, only the quota for the domestic beet sugar area was allotted; as of early November 1962, no 1962 quotas were allotted. When allotments of the domestic beet sugar area quota again become necessary, those made to new or expanded factories processing beets from acreage reserved for new producers must permit an equitable opportunity to market the sugar made from such beets.

*Assigning Proportionate Shares.* In the domestic areas, the Secretary must, in addition to establishing processor allotments, see that each sugar-producing farm gets its fair share of the available market. In dividing this market, the Secretary must allow for enough sugar to fill the quota for the applicable year and to provide a normal carry-over inventory. If the crop prospect is for this or a smaller amount of sugar, production is unrestricted on all farms. The allotment of each farm, known as its "proportionate share," is expressed either in acres, tons of sugarcane or beets, or quantity of sugar.

The purpose in assigning specific shares to farms in a particular area

is to adjust crop output to the area's quotas and normal carryover and to assure that each farm will share equitably in this adjustment. Thus, past production and the ability of the farm to produce beets or cane during the year for which the determination is being made must be considered.

The act also requires the Secretary to protect the interests of small and new producers and producers who are tenants or sharecroppers, and to consider the interest of producers in any local producing area where past production has been seriously affected by abnormal and uncontrollable natural conditions. For farms in all domestic areas for the 1961 and 1962 crops, the specific shares were the acreages actually harvested for sugar. In other words there were no individual farm restrictions.

On August 21, 1962, announcement was made that individual farm restrictions would be established for the 1963 mainland sugarcane crop and that the 1963 sugar beet crop would be unrestricted. Individual farm restrictions in the domestic offshore areas are not likely to be needed since their quotas, although reduced in the 1962 amendments, are larger than current production and may be increased if production increases require it.

If producers wish to receive "conditional payments," authorized under the act, they must stay within their assigned proportionate shares. These payments are an important part of their income. Generally, too, processors refuse to buy sugarcane or sugar beets from nonproportionate share acreage because sugar produced from such acreage is not considered in establishing marketing allotments for the processors.

*Sugar Beet Acreage Reserves for New Producing Localities.* Amendments to the Sugar Act in

1962 included provisions for sugar beet acreage reserves to be used primarily for new production areas. These provisions reserve each year the acreage required to yield 65,000 short tons, raw value, of sugar to be committed to new factory areas or, if none start operating in a certain year, to areas served by expansion of existing factories.

Informal public hearings are required before distribution is made of the sugar beet acreage reserves. The first such hearing was held in Washington September 25-28, 1962. On October 31, 1962, the first commitment of acreage was made of 19,000 acres to farmers in the locality to be served by a new facility under construction at Mendota, Calif., to begin operations for the 1963 crop.

*Conditional Payments to Growers.* In addition to providing an incentive to growers to adjust their production to quota and carryover needs, the conditional payments (1) help give growers adequate income from sugarcane and sugar beet production, (2) assure growers and their fieldworkers a fair share of the returns to the sugar industry, and (3) prevent the employment of child labor in fieldwork.

In addition to complying with their proportionate shares, growers are required to pay fieldworkers in full for work performed on cane or beets at rates not less than those determined by the Secretary to be fair and reasonable, to observe child labor provisions specified by the act, and—if they are processors as well as growers—to pay fair prices for cane or beets purchased from other growers.

The sugar program also provides special conditional payments to growers for crop deficiency or abandonment caused by drought, flood, storm, freeze, disease, or insects. In such cases, eligibility for the payments depends on whether the natural disaster caused damage to all or



a substantial part of the crop throughout the local producing area in which the farm is located.

### *Duties of County Committees*

1. Conduct hearings and make decisions on wage claims of laborers.

2. Determine: (a) Abandonment and deficiency areas; (b) farms qualifying for abandonment and deficiency payments; (c) areas qualifying for prevented acreage credit; and (d) farms qualifying for such credit.

3. Determine from available records compliance with all applicable requirements such as prohibition against use of child labor, and wage rates paid to workers.

4. Approve reports to ASCS State offices on child labor violations, wage claims, and wage rates.

5. Certify producers' applications for payment.

6. Assist with the determination of proportionate shares (acreage allotments) when applicable and determine compliance with such requirements.

## **DEFENSE ACTIVITIES**

Our personal safety and the survival of the Nation rests on emergency preparedness. Emergency functions assigned to USDA relate to such areas as food, rural fire defense, defense against biological and chemical warfare and certain aspects of radiological defense. In order that USDA will be in position to carry out its responsibilities in event of an emergency, preparedness programs are developed as a part of continuing activity within the Department. Defense responsibilities are a definite part of all current farm programs with equal priority with the programs themselves.

The Special Assistant to the Secretary on Defense is responsible for directing the overall defense program in USDA. A National Defense Board has been established in USDA, which is made up of the heads of agencies with major defense assignments and chaired by the Special Assistant. This Board provides advice and assistance to the Special Assistant in carrying out defense and related emergency assignments of USDA.

USDA's field organization is the keystone of our ability to carry out our defense responsibilities for it is in the field that most of the emergency activity will occur, particu-

larly in the immediate post-attack period. Defense activities at State and county levels are coordinated and guided through USDA State and county boards.

Each State has a USDA State Defense Board, of which the members include a representative of the Agricultural Marketing Service (AMS), Agricultural Stabilization and Conservation Service (ASCS), Agricultural Research Service (ARS), Cooperative Extension Service (CES), Farmers Home Administration (FHA), Forest Service (FS), Soil Conservation Service (SCS), and the Statistical Reporting Service (SRS).

USDA also has a county defense board for each county. Membership of each board includes, where available, a representative of ASCS, CES, FHA, SCS, ARS, FS, and AMS.

The chairmen of the USDA State and county defense boards are generally the ASCS State Executive Director and the ASCS County Office Manager, respectively. These officials also represent ASCS on the respective defense boards. The ASCS State and county offices provide the boards with supporting services, such as filing, typing, reproduction of informational material, and mailing.



## ASC Committees Role

The role of State and county ASC committees and committee chairmen in a national emergency may be briefly described as follows:

*State Level.* In the post-attack period, the USDA State Defense Board coordinates food production and food management programs and assures that suitable contributions to food production are made by SCS, FHA, Extension Service, and other USDA agencies. The State Defense Board will determine that food production principles and ultimate goals are consistent with other USDA program objectives in the State.

The Board is responsible for presenting to control agencies requirements for the farm equipment, fertilizer, fuels, manpower, and other requisites which cannot be obtained at the county level.

The ASC State Committee, under guidance of the Board, will determine the food production principles to be applied within the State and will set standards for distribution of the scarce requisites needed. The ASCS State Office will see that the principles and standards are included in technical guidance to the county. All this will be carried out in accordance with guidelines determined before an emergency and such technical guidance as may be available from USDA national headquarters.

*County Level.* A similar relationship between the USDA County Defense Boards and ASC Committees will exist at the county level.

The USDA County Defense Boards will coordinate various USDA programs at the county level, following guidance available from the State Defense Board. This will include food production principles and ultimate goals.

The County Board, as claimant for agriculture and the food industry, will work with local government officials and others to see that fuel, manpower, and other production requisites needed to carry out USDA defense programs are made available.

Within the framework of Board policy, the ASC County Committee will determine the food production principles and goals to be applied in the county by the ASCS County Office staff.

In defense emergency situations, USDA has authority to distribute or ration farm equipment and fertilizer direct to farmers. In the immediate post-attack period the County Board will control all farm equipment distribution, since civil defense as well as food production needs will be involved. After this brief period, the ASC County Committee will:

1. Determine how best to use scarce equipment to carry out established food production principles.
2. Make similar determinations on fertilizer, including determination of the crops on which fertilizer will be permitted and the amounts to be used on such crops.
3. Make recommendations on the distribution of manpower and fuels to individual farmers.

Once made, these determinations will be implemented by the ASCS County Office staff.

All of the emergency duties mentioned above require some preparation on the part of the ASC committees and committee chairmen in the pre-emergency period. Therefore, they should have a thorough understanding of their emergency responsibilities and of the USDA Defense Operations Handbooks and other official source documents which provide guidance on carrying out such defense activities in a post-attack situation.

## MISCELLANEOUS

### Livestock Feed Program

The broadened livestock emergency feed program makes CCC stocks of surplus feed grains available for purchase by farmers and ranchers for feeding foundation herds and certain other eligible livestock—cattle, sheep, goats, swine, and work animals such as horses and mules—in designated “disaster areas.”

*ASC county committees perform the following duties:*

1. Accept applications for assistance from individual farmers.
2. Determine eligibility and extent of assistance to be provided individual applicants, except applications of ASC State and county committeemen and applications showing 500 or more animal units, which are handled by others in ASCS authorized to approve such applications.
3. Settle with farmers for grain they desire to purchase.
4. Deliver purchased grain to farmers when it is available in a local CCC binsite.
5. Issue delivery orders to farmers for presentation to warehouses having stored CCC grain or grain shipped from CCC stocks at the request of the county committee.

### Disposal of CCC-Owned Surpluses

Commodities acquired under price-support programs are dis-

posed of in various ways, but mainly through sales. Export sales are made at export prices, and sales for domestic use are generally made at the market or minimum prices determined in accordance with existing statutes (usually at 105 percent of the current support price plus handling costs).

Commodities stored in commercial storage facilities are sold or disposed of by the ASCS Commodity Offices. Commodities stored in CCC bins may be sold by the county offices under the supervision of the ASC State committees.

*National.* Sales programs, including terms and conditions of sales and prices, are determined in Washington and transmitted to the ASCS Commodity and ASCS State offices. Prices are usually announced on or about the first of each month, but under special conditions prices or price changes may be furnished any time when the need arises.

*State.* The ASCS State office is responsible for supervising and instructing ASCS county offices with respect to sales policies, terms, and conditions of sales and prices within the authority delegated to it.

*County.* ASCS county offices are generally responsible for sales of commodities stored in CCC-owned bins in accordance with instructions from the ASC State Committee and existing ASCS directives and regulations.

